

Message Text

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ACTION EA-14

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FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 9028

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E. O. 11652: N/ A

TAGS: ELAB SN

SUBJECT: LABOR DISPUTE AT SINGAPORE GULF PLASTICS (SGP)

REF: STATE 122192

SUMMARY

SGP DISPUTE WAS OUTGROWTH OF DISCONTENT AT FACTORY FLOOR LEVEL TRIGGERED BY POOR COMMUNICATION BETWEEN MANAGEMENT AND LABORERS ON ISSUE OF PRODUCTIVITY. WILDCAT STRIKE WAS FOLLOWED BY MASS FIRINGS. WORKERS DEMONSTRATED AT EMBASSY AND PRESENTED AMBASSADOR WITH PETITION. AMBASSADOR, AFTER TALKING TO BOTH SIDES OF DISPUTE, LEFT SOLUTION TO UNION, MANAGEMENT AND LABOR MINISTRY OFFICIAL WHO WERE ALREADY DISCUSSING MATTER AMONG THEMSELVES. DISPUTE SHOWS THAT ALL IS NOT SMOOTH SAILING ON SINGAPORE LABOR SCENE. IT ALSO DEMONSTRATES PROBLEMS OF MANAGEMENT, GOVERNMENT AND UNION COOPERATION WITHOUT WORKERS BEING CONSULTED. END SUMMARY.

1. PROBLEMS AT SGP, WHICH HAS APPROXIMATELY 300 EMPLOYEES, BEGAN EARLY THIS YEAR WHEN MANAGEMENT TRIED LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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TO INSTITUTE PRODUCTIVITY INCREASE BY HAVING TWO GIRLS WORK THREE LOOMS INSTEAD OF ONE GIRL PER LOOM. AT THIS SAME TIME PIONEER INDUSTRIES EMPLOYEE UNION (PIEU) CLAIMED IT REPRESENTED GULF' S EMPLOYEES. WORKERS IN

LOOM SECTION, ABOUT 85 GIRLS AGED 16-24, 40 PERCENT MALAYSIAN CITIZENS, STAGED SIT DOWN STRIKE. MANAGEMENT BACKED OFF, DECLARED THREE DAY HOLIDAY AND RECOGNIZED UNION FOLLOWING ADVICE FROM MINISTRY OF LABOUR THAT UNION HAD ALREADY SIGNED 60 PERCENT OF ITS WORKERS. WORK RESUMED BACK ON ONE GIRL- ONE LOOM BASIS. IN MAY MANAGEMENT TRIED TO REINSTITUTE PRODUCTIVITY INCREASE, THIS TIME WITH ONE GIRL FOR EVERY TWO MACHINES. GIRLS BALKED, FIVE WERE DISMISSED, UNION STEPPED IN AND SUGGESTED THAT NATIONAL PRODUCTIVITY BOARD BE BROUGHT IN TO DECIDE IF ONE GIRL COULD OPERATE MORE THAN ONE LOOM. MANAGEMENT PROMISED TO CONSIDER IDEA AND GIRLS AGAIN WENT BACK TO WORK ON OLD WORK SCHEDULE. ON MAY 28 MANAGEMENT AGAIN REQUESTED SOME OF GIRLS TO WORK TWO MACHINES. GIRLS REFUSED; WORK STOPPED. MANAGEMENT DISMISSED A FEW WORKERS; MORE PROTESTS RESULTED, CULMINATING IN ALMOST ALL GIRLS IN LOOM SECTION FROM ALL THREE SHIFTS, SITTING DOWN IN FACTORY. MANAGEMENT SACKED WHOLE CREW AND WORKERS CONTINUED THEIR PROTEST FROM OUTSIDE FACTORY AFTER BEING EVICTED.

2. AFTER SPENDING NIGHT OF MAY 28 BY FACTORY, APPROXIMATELY 35 WORKERS AND 15 STUDENT SUPPORTERS FROM NANYANG UNIVERSITY, DESCENDED ON EMBASSY. AMBASSADOR AGREED TO MEET WITH REPRESENTATIVES OF GROUP. AS IT TURNED OUT, PRO- TEM CHAIRMAN OF UNION BRANCH, A MALAYSIAN GIRL, AND TWO MALE STUDENTS WERE REPRESENTATIVES. THEY EXPLAINED SITUATION DESCRIBED ABOVE STRESSING THAT IT WAS IMPOSSIBLE FOR GIRLS TO OPERATE MORE THAN ONE LOOM. THEY ASKED AMBASSADOR TO LOOK INTO MATTER AND DESIRED THAT GIRLS BE REHIRED, NEW WORK SCHEME BE SCRAPPED, WORKERS BE PAID DURING STOPPAGE AND SGP STOP ALL ANTI- LABOR MOVES. AMBASSADOR PROMISED TO TALK WITH PLANT MANAGER THAT AFTERNOON. EMBASSY RELEASED FOLLOWING STATEMENT:
" THE AMBASSADOR MET WITH THREE REPRESENTATIVES OF THE WORKERS AND STUDENTS WHO CAME TO THE EMBASSY TO PRESENT A PETITION. HE ACCEPTED THE PETITION AND SAID THAT HE
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WOULD BE IN TOUCH WITH GULF PLASTICS MANAGEMENT TO DISCUSS WITH THEM THE VIEWS EXPRESSED DURING THE MEETING. HE REMINDED THEM THAT THE ROLE BY A US GOVERNMENT OFFICIAL IN SUCH MATTERS IS LIMITED."

3. MANAGER OF SGP DISCUSSED MATTER WITH AMBASSADOR THAT AFTERNOON. HE STATED AND SHOWED SOME EVIDENCE TO EFFECT THAT STANDARD PRACTICE IN ENGLAND AND ELSEWHERE IS FOR OPERATORS TO HANDLE UP TO FIVE MACHINES EACH. HE ADDED THAT UNION LEADERS, AS OPPOSED TO LOCAL BRANCH LEADERS, AGREED THAT INCREASE IN PRODUCTIVITY WAS DESIRABLE AND POSSIBLE. STATEMENT FROM UNION HEAD OFFICE COLLABORATED

THIS. MANAGER ALSO STATED THAT MASS FIRINGS WERE AGREED TO BY LABOUR MINISTRY, UNION AND COMPANY TO GET RID OF HANDFUL OF " TROUBLEMAKERS" IN LOOM ROOM AND TO ALLOW HEAD UNION TO GAIN SOME CONTROL OVER LOCAL UNION. HE STATED THAT MOST WORKERS WOULD BE REHIRED IF THEY REAPPLIED, BUT THAT FIRM WAS GOING TO GO AHEAD WITH NEW WORK SCHEME. HE ALSO STATED THAT S\$. 60 INCREMENT FOR OPERATING TWO MACHINES WAS NEGOTIABLE, A SCORING POINT COMPANY HAD LEFT FOR UNION. AMBASSADOR SUGGESTED MANAGEMENT AGREE TO REVIEW BY NATIONAL PRODUCTIVITY BOARD AND ANNOUNCE THIS PUBLICLY. UNION AND MANAGEMENT MADE STATEMENT THIS EFFECT TWO DAYS LATER. AFTER TALKS WITH PLANT MANAGER, EMBASSY RELEASED FOLLOWING STATEMENT: " THE AMBASSADOR HAS DISCUSSED THE SITUATION WITH REPRESENTATIVES OF GULF PLASTICS COMPANY AND UNDERSTANDS FROM THESE CONVERSATIONS THAT THE DISPUTE IS UNDER ACTIVE DISCUSSION BETWEEN THE COMPANY, THE UNION, AND THE MINISTRY OF LABOUR. THE AMBASSADOR HOPES THESE DISCUSSIONS LEAD TO AN EARLY RESOLUTION OF THE PROBLEM ".

4. PRESENTLY, SGP' S LOOM SECTION IS BACK AT WORK ON TWO INSTEAD OF THREE SHIFT BASIS. OVER HALF OF GIRLS WERE REHIRED. GOS REVOKED WORK PERMITS OF SIX MALAYSIAN EMPLOYEES, FIVE GIRLS AND ONE MALE MACHINE OPERATOR, AND THEY WERE FORCED TO LEAVE SINGAPORE. LABOUR MINISTRY FURTHER INSTRUCTED SGP NOT TO REHIRE TWO SINGAPOREAN EMPLOYEES.

5. COMMENT: A) ENTIRE EXERCISE AT SGP WAS TEXTBOOK
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EXAMPLE OF NON- COMMUNICATION. COMPANY SINCE PURCHASE OF MACHINES KNEW THAT EACH GIRL WOULD EVENTUALLY OPERATE MORE THAN ONE MACHINE BUT IN OVER YEAR OF OPERATION NEVER MADE THIS CLEAR TO EMPLOYEES. DIALOGUE BETWEEN LOCAL AND HEAD UNION OFFICE WAS ALSO LACKING, A RESULT PERHAPS OF OVER RAPID EXPANSION BY PIEU IN PAST YEAR. B) STATEMENT IN WHAT EMBASSY ASSUMES MIKE MORROW ARTICLE QUOTED REFTEL, THAT GIRLS WORK SEVEN DAY WEEK, 12 HOURS A DAY, IS FALSE. THREE SHIFTS MEAN EACH GIRL HAS 8 HOUR WORKING DAY. SINGAPORE EMPLOYMENT ACT OF 1968 WHICH IS STRINGENTLY ENFORCED PROHIBITS WORK OVER 44 HOURS A WEEK OR 8 HOURS PER DAY WITHOUT PAYMENT OF OVERTIME AT 1 1/2 NORMAL RATE. EACH EMPLOYEE MUST BE GIVEN ONE REST DAY A WEEK AND ONLY IN ABNORMAL CASES, SUBJECT TO SUPERVISION OF COMMISSIONER OF LABOUR, CAN HE BE ASKED TO WORK ON REST DAY, IN WHICH CASE WORKER MUST BE PAID DOUBLE TIME. C) HOUSING SITUATION IN JURONG IS BAD. SINGAPORE RESIDENTS LIVE WITH FAMILY AND COMMUTE TO JURONG. MALAYSIANS, HOWEVER, OFTEN LIVE IN DORMITORY TYPE SITUATIONS WITH, AS ARTICLE STATES, " UP TO TWELVE IN

APARTMENT". IN SOCIETY WHICH OFTEN HAS 10 MEMBER FAMILY LIVING IN ONE ROOM FLAT, THIS CONDITION IS NOT VIEWED AS ABNORMAL. WITH HOUSING RATES AS HIGH AS THEY CURRENTLY ARE IN SINGAPORE (MALAYSIANS ARE NOT ELIGIBLE FOR HDB FLATS) AND A LONG WAITING LIST FOR MOST AVAILABLE DWELLINGS, NON-CITIZEN JURONG WORKERS HAVE LITTLE CHOICE BUT TO LIVE IN JURONG TOWN CORPORATION (JTC) FLATS RENTED TO COMPANIES. THIS PRACTICE MAY CHANGE IN FUTURE IF ENOUGH SINGAPORE FAMILIES MOVE TO JURONG SO THAT IMMIGRANT LABORERS CAN RENT SPACE FROM THEM. JTC HAS JUST BEGUN TO ALLOW SUBLETTING FLATS. PRESENT SITUATION NOT LIKED BY GOS, COMPANIES OR MANY LABORERS. D) NANYANG STUDENTS AND EUROPEANS WERE INVOLVED IN DISPUTE. RELIGIOUS GROUP IN JURONG POSSIBLY SERVED TO SPREAD DISCONTENT AMONG WORKERS AT SGP, ALTHOUGH IT CLEAR THAT FOR YOUNG GIRLS AWAY FROM FAMILIES FOR FIRST TIME IN STRANGE LOCALITY WITH LITTLE SOCIAL ACTIVITY, DISCONTENT NOT SURPRISING. IRISH PRIEST, WHO WAS PROFESSOR AT NANYANG UNIVERSITY, WAS SPIRITED OUT OF COUNTRY AFTER DEMONSTRATION AT EMBASSY. HE, INCIDENTALLY, HELPED ORGANIZE VIETNAM PROTEST AT EMBASSY LAST DECEMBER (SINGAPORE 3716, 12/28/73). E) LABOR LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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DISCONTENT IN JURONG DOES SEEM TO BE ON INCREASE. THIS DUE TO NUMEROUS FACTORS. ALTHOUGH WAGES HAVE GONE UP RECENTLY, PRICES ARE RISING AS FAST, IF NOT FASTER. GAP BETWEEN WHITE AND BLUE COLLAR WORKERS IS WIDENING. UNIONS, WHICH ARE CAUGHT IN BIND BETWEEN SUPPORTING WORKING MAN AND URGING LABOR RESTRAINT AS SPECIAL RELATIONSHIP WITH PAP DEMANDS, ARE JUDGED UNRESPONSIVE BY MANY WORKERS. SITUATION ONLY WORSENER BY DEMANDS OF FOREIGN LABORERS WHO HAVE NO STAKE IN SUCCESS OF SOCIETY. NEW CONTROLS ON FOREIGN WORKERS HAVE BEEN RECENTLY INSTITUTED. WORK PERMIT HOLDERS MUST NOW REMAIN WITH SAME FIRM THREE YEARS AND THOSE MAKING LESS THAN S\$750 PER MONTH MUST HAVE MARRIAGES TO SINGAPOREANS APPROVED BY GOS. THESE STEPS GOS METHOD OF CONTROLLING "SOCIAL POLLUTION", CURBING LABOR TURNOVER AND GIVING IMMIGRANTS SOME STAKE IN WORKING HARD WITH LITTLE DISSENT IN THEIR JOBS. DESPITE VIBRANCE OF ECONOMY, SGP DISPUTE SHOWS THAT MUCH HERALDED ERA OF INDUSTRIAL COOPERATION HAS STILL NOT DAWNED ON SINGAPORE. CRONK

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